



**Written Submission for the Pre-Budget Consultations in
Advance of the Upcoming Federal Budget**

Submitted By Galeries Ontario / Ontario Galleries (GOG)

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GALERIES ONTARIO / ONTARIO GALLERIES

FOUR RECOMMENDATIONS:

1. Five-year Stabilisation funding for Art Galleries and Museums

That the government commits to the sector by investing in the Canadian Heritage and the Canada Council for the Arts with a five-year fund for stabilisation to allow for a healthy working capital ratio for the art galleries and museums to advance job and economic growth and mitigate the labour crisis, inflation and address climate change challenges.

2. Endowment Incentives Program Expansion

That the government expand the existing Endowment Incentives of the Canada Cultural Investment Fund (CCIF) through Canadian Heritage to further support performing art recipients and to include visual art museums/galleries as eligible recipients; and increase the total annual budget of the CCIF by \$40 million to accommodate this change.

3. Federal basic income guarantee for all Canadians

That the government implement a Federal basic Income guarantee, and reduce poverty and simplify the complex web of benefits and programs for all Canadians.

4. New National Museums Policy

That the government review and update the recommendations of the Standing Committee Report, *Moving Forward-Towards a Stronger Canadian Museum Sector*, and update the National Museum Policy to reflect the significant new realities of the visual arts sector, as well as to support the sector-wide implementation of UNDRIP and support for Indigenous self-determination in the heritage sector.

GOG

Galleries Ontario / Ontario Galleries is a one-of-a-kind association in Canada representing art galleries, serving them through advocacy, network building, and professional development throughout Ontario and Canada. We serve a heterogeneous sector with a network of 2700 art professionals in over 63 Ontario communities. Our 260 members are various sized arts organizations, such as public art galleries, museums, artist-run-centres, and arts organizations.

SUMMARY

Art galleries and museums are an integral part of Canada and hold a key role in Canada's economy. Based off the most recent census data for arts and culture, 99% of Canadians participate in the arts, culture, and heritage in some way every year¹. From the National Gallery of Canada to small, regional

¹[Arts, Culture, And Heritage Participation In Canada's Provinces And Largest Census Metropolitan Areas In 2016](#), Hill Strategies, March 20, 2019

galleries across Canada, these institutions bring communities together and help stimulate the economy. In 2019, the GDP for the culture sector generated \$57.1 billion (90.4%) with Culture accounting for 2.6% Canada's overall GDP in 2019². For employment, the culture and sport sectors accounted for just over 772,000 jobs in Canada, up 2.2% in 2019, with nearly all provinces posting gains³. Jobs in the cultural sector accounted for more than 80% of the increase, led primarily by the visual and applied arts, audio-visual and interactive media, highlighting the growing importance of digitization in the culture sector⁴. According to a survey done by the Ontario Nonprofit Network (ONN), 91% of the organizations in the arts, cultural heritage, and tourism sector were deemed 'non-essential' during the province-wide lockdown Spring 2021 in Ontario. This was a similar fact across other provinces as well. These art institutions also saw the highest number of permanent closures due to the pandemic⁵ leading to a damaging number of artists, art professionals and sector adjacent professionals without livelihoods.

Galleries and museums already existed in a precarious financial state prior to the pandemic, thus resulting in higher losses due to closures. The average working capital ratio for art galleries has been less than 1 over the last five years, ranging between 0.84 to 0.9.⁶ A less than 1 ratio indicates financial vulnerability regarding an organization's capacity to cover its short-term payables. Notably, within our sector, for every dollar invested in non-profit art galleries, there is a social return of \$4.⁷ The significant compounding economic effect of investment in our sector is substantial. Renewing the Exhibition Transportation Service (ETS) to help alleviate the increasing costs associated with travelling art exhibitions, generate increased visitation/tourism and address climate change challenges.

Within our membership, 26% of galleries operate on an annual budget of less than \$300,000; and that statistic is consistent throughout Canada's public art galleries. These small galleries, mainly found in rural regions in Canada, are the most vulnerable and need assistance to ensure that they can sustain operations. These statistics directly translate to diminished access to vital services that communities rely on to thrive culturally and socially. Inclusion of museums/art galleries in CCIF Endowment Incentives component will enable long-term stability.

Indigenous and racialized groups are impacted at an even higher level than other arts workers. 87% of respondents from the Canada Council survey believe that the government should ensure equitable support for Indigenous, racialized and other marginalized artists⁸. The second highest field of practice with the largest proportion that have applied or are planning to apply for the Canada Employment Wage Subsidy was Indigenous Arts at 42%. The types of organizations with the highest such proportions were not-for-profit at 50%, and those with total annual revenues from \$5 million to

² ["Provincial and Territorial Culture Indicators, 2019."](#) Statistics Canada, 27 May 2021

³ Ibid.

⁴ Ibid.

⁵ [2021 ONN State of the Ontario Nonprofit Sector Survey](#) Ontario Nonprofit Network, Spring 2021

⁶ [Understanding Canadian Arts Through CADAC Data: A Portrait of 77 Art Museums and Public Art Galleries](#), Canada Council for the Arts, 20 March 2015.

⁷ ["Value Study of GLAMs in Canada,"](#) Oxford Economics and Ottawa Declaration Working Group, December 2019.

⁸ Ibid

under \$10 million at 86%.⁹ A guaranteed basic income, update to the Status of the Artist Act, and increased support for marginalized artists are essential to the survival of cultural workers.

As foundational planning and funding streams for museums and art galleries in Canada, the National Museum Policy and Museums Assistance Program must be revised to support and enforce the Principles of UNDRIP in their structures and delivery.

RECOMMENDATIONS

1: Five-year Stabilization funding for Art Galleries and Museums

Art galleries and museums play a critical role in protecting and preserving Canadian Heritage and are vital to cultural, civic and economic life for all Canadians. These institutions provide jobs, education, research and innovations, and open the door for a diverse ecosystem of opportunities. When an art gallery closes, all the businesses associated with it are impacted including services such as art transportation and logistics, cleaning, restaurants, hospitality, entertainment, audio visual, construction, printing, marketing, manufacturing, and many others.

The pre-COVID-19 precarity of art galleries and museums was critical. Throughout this pandemic, art galleries, museums and the cultural professionals within them, are facing extraordinary challenges that put all their futures at risk. The Canada Council for the Arts reported that most art galleries across Canada have a working capital ratio of less than 1. Given such severe working conditions, the onset of the pandemic came as a cruel blow to an already struggling sector. Recovery implies going beyond this pre-COVID precarious condition. To ensure any meaningful recovery, a five-year stabilization fund for art galleries and museums is imperative; the sector needs support to recover and meet the increased needs of communities. This cannot be achieved solely by fundraising efforts or reliance on program and service fees. Though there is some government funding, most funds for smaller art organizations tends to be targeted towards individual, short-term projects, which does not help organizations build capacity or plan for the long-term¹⁰. Art galleries and museums support job and economical growth across their community and all over this country. The growth and development of the art gallery means the growth and development of many other industries.

Federal funding is essential for the organization's regular activities and develop and strengthen operations over time. It is necessary to ensure that funding is also included for small and mid-size art galleries and museums as they were disproportionately hit by the pandemic capacity restrictions and lockdowns more so than their larger counterparts. Investments for our sector to recover, rebuild and re-emerge will have a positive benefit for all Canadians economically and socially.

⁹ Ibid

¹⁰ CHPC, [Evidence](#), 1 st Session, 42nd Parliament, 27 February 2018, 0850 (Mr. Henry Kim, Director and Chief Executive Officer, Aga Khan Museum).

2: Endowment Incentives Program Expansion

The CCIF – Endowment Incentives component encourages private donors to contribute to endowment funds for not-for-profit professional arts organizations, so they can access new sources of funding in the future and have greater capacity for realizing artistic expression by supporting their long-term stability. However, the fund criterion excluded visual arts organizations such as museums/galleries.

The Standing Committee on Finance made the following recommendation to the Minister of Finance during their pre-budget 2022 report “Considering the Path Forward”.

221:

Expand the Endowment Incentives of the Canada Cultural Investment Fund to include museums and heritage organizations.

Changes to tax incentives for philanthropy and matching endowment programs run through the federal government help foster greater resiliency and reduce reliance on government funding. Endowments ensure that events such as the COVID-19 pandemic do not devastate Canada’s cultural sector. Endowments are a widespread, permanent, and sensible means to assist organizations immediately, and offer a cushion against future crises. During the pandemic recovery period, endowments will help museums/galleries face the uncertainty that lies ahead.

An increase of \$40M would effectively double the \$19M funding leveraged by existing performing arts recipients and add \$20M for visual arts recipients to leverage further. The strong response to this established program to date reflects the demand for its expansion and certainty for its continued success.

3: Federal basic income guarantee for all Canadians

Jobs available in the arts sector have low salaries, lack benefits, and are based on temporary contracts, creating employment instability and issues retaining employees within the sectors¹¹. COVID-19 has amplified these realities and highlighted many of the cracks and inequalities in financial security and social support systems with many Canadians, and with artists and cultural workers being left without work for months. The number of hours worked in the arts, entertainment and recreation sector declined 36.6% in 2020. Based on data from Statistics Canada’s Labour Force Survey, “One in four arts, entertainment and recreation workers lost their job in 2020, compared to 2019. That’s 114,400 artists, technicians, marketing staff, arts administrators and other cultural workers who could no longer earn a living out of their profession” and out of all jobs lost in Canada 2020, 11% were in the arts and culture sector.¹²

The most telling impact is the migration of labour to other sectors leaving a critical gap in the middle management of cultural institutions impacting knowledge management and operational

¹¹ CHPC, [Evidence](#), 1 st Session, 42 nd Parliament, 16 June 2016, 0850 (Ms. Joanne Watkins, General Director, Fashion Museum).

¹² [“2020: The Year One In Four Arts Workers Lost Their Jobs”](#), CAPACOA, 15 January, 2021.

sustainability.

CERB and CRB have proven that it is possible to provide meaningful support to individuals facing income precarity. The implementation of these programs has generated widespread public support for a permanent program to address basic income. However, these program restrictions also left many Canadians behind in deep poverty combined with a lack of access to benefits, paid sick leave, or employment insurance. Which also disproportionately affected vulnerable and marginalized communities, including people with disabilities, LGBTQ2+, Black, Indigenous, people of colour, refugees and immigrants.¹³

4: New National Museums Policy

In 2019 the Minister accepted the recommendations of a milestone report, *Moving Forward-Towards a Stronger Canadian Museum Sector*¹⁴, from the House of Commons standing committee on Canadian heritage. In view of the pandemic, it is imperative to review and update the recommendations of the 2018 Standing Committee Report, and modernize the National Museum Policy to reflect the significant new realities¹⁵ of the visual arts sector. In particular, this Policy needs to address the pivotal issues of our time, namely equity, diversity, UNDRIP implementation and promotion of Indigenous self-determination and anti-racism, digital outreach and relevance, and climate change concerns.

Recognizing that sustainable core funding for museums will strengthen the capacity of museums to be supportive partners in the decolonization process, all National Museum Policy initiatives, including policy development and funding structures, must be informed by the authoritative guidance of Indigenous peoples in the sector to ensure the National Museum Policy adequately addresses UNDRIP implementation and pivotal issues from Indigenous perspectives.

Galleries Ontario / Ontario Galleries looks forward to contributing to the development of the new policy through consultations with the Minister and department of Canadian Heritage.

Conclusion

It is clear that we are a long way off from recovery and will continue to fight against the precariousness of the arts sector, which this pandemic has only amplified. The federal government needs to start addressing the endemic challenges standing in the way of the arts sector and its ability to achieve its full potential. Supporting the art and cultural sector makes communities healthier, more creative, connected and equitable.

¹³ On January 30 and 31, 2021, the Basic Income: An Artists' Commission received verbal and written testimonies from Canadian artists and activists from a range of lived experiences, including CERB/non-CERB eligible, low income, homeless or precariously housed, BIPOC, urban/rural, labour and housing justice on the benefits of basic income.

¹⁴<https://www.ourcommons.ca/Content/Committee/421/CHPC/Reports/RP10011476/chpcrp12/chpcrp12-e.pdf>

¹⁵ See Museums at a Crossroads <https://www.gallerieswest.ca/magazine/stories/museums-at-a-crossroads/>